

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-02111A

SABROSA WATER COMPANY

21410 N. 19th Ave. STE 201

PHOENIX, AZ 85027

RECEIVED

APR 17 2006

Z Corporation Commission
Director of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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entered
4-18-06

RF

COMPANY INFORMATION

Company Name (Business Name) <u>SABROSA WATER COMPANY</u>		
Mailing Address <u>21410 N. 19th Ave Ste 201</u>		
<u>PHOENIX</u> (City)	<u>AZ</u> (State)	<u>85027</u> (Zip)
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>www.gwresource.com</u>		
Local Office Mailing Address <u>SAME</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>CINDY LILES</u>			<u>INTERIM MANAGER</u>		
(Name)			(Title)		
<u>21410 N. 19th Ave Ste 201</u>			<u>Phoenix, AZ 85027</u>		
(Street)			(City) (State) (Zip)		
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)			
Email Address <u>cindy.liles@gwresources.com</u>					
On Site Manager: <u>GRAHAM SYMMONDS</u>					
(Name)					
<u>21410 N. 19th Ave Ste 201</u>			<u>Phoenix, AZ 85027</u>		
(Street)			(City) (State) (Zip)		
<u>623-580-9600</u> Telephone No. (Include Area Code)	<u>623-580-9659</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)			
Email Address <u>graham.symmonds@gwresources.com</u>					

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Roshka DeWulf Patten
(Name)

400 E. Van Buren Ste 800 Phoenix Az 85004
(Street) (City) (State) (Zip)

602-256-6100 602-256-6800
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: SAME
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	Description	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	\$ 8,501	\$	\$
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equip.	3,024	(16)	3,008
330	Dist. Reservoirs & Standpipes	38,763	(969)	37,794
331	Transmission & Dist. Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,175	(60)	1,115
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equip.			
346	Communication Equip.			
347	Misc. Equipment			
348	Other Tangible Plant	38,327	(1,916)	36,411
	TOTALS	\$ 89,790	\$ (2,961)	\$ 86,829

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT
YEAR**

Acct. No.	Description	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	\$ 8,501		\$
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equip.	3,024	5%	16
330	Dist. Reservoirs & Standpipes	38,763	5%	969
331	Transmission & Dist. Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	1,175	20%	60
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equip.			
346	Communication Equip.			
347	Misc. Equipment			
348	Other Tangible Plant	38,327	10%	1,916
	TOTALS	\$ 89,790		\$ 2,961

This amount goes on the Comparative Statement if Income and Expense Acct. 403

BALANCE SHEET

Acct. No.	Assets	Balance at Beginning of Test Year	Balance at End of Year
	Current and Accrued Assets		
131	Cash	\$	\$
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		7,137
146	Notes/Receivables from Assoc. Companies		
151	Plant Material and Supplies		
162	Prepayments		292
174	Misc. Current and Accrued Assets		1,065
	Total Current and Accrued Assets	\$	\$ 8,494
	Fixed Assets	\$	\$
101	Utility Plant in Service		88,615
103	Property held for Future Use		
105	Construction Work in Progress		1,175
108	Accumulated Depreciation – Utility Plant		(2,961)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	Total Fixed Assets	\$	\$ 86,829
	Total Assets	\$	\$ 95,323

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.	Liabilities	Balance at Beginning of Test Year	Balance at End of Year
	Current Liabilities		
231	Accounts Payable	\$	\$ 21,759
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Assoc. Companies		
235	Customer Deposits		
236	Accrued Taxes		357
237	Accrued Interest		
241	Misc. Current and Accrued Liabilities		155,928
	Total Current Liabilities	\$	\$ 178,044
	Long Term Debt (Over 12 months)		
224	Long-Term Notes and Bonds	\$	\$
	Deferred Credits		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment of Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	Total Deferred Credits	\$	\$
	Total Liabilities	\$	\$
	Capital Accounts		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		(82,721)
218	Proprietary Capital (Sole Props & Partnerships)		
	Total Capital	\$	\$ (82,721)
	Total Liabilities and Capital	\$	\$ 95,323

COMPARITIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	Operating Revenues	Prior Year	Current Year
461	Metered Water Revenue	\$	\$ 35,330
460	Unmetered Water Revenue		
474	Other Water Revenues		40
	Total Revenues	\$	\$ 35,370
	Operating Expenses		
601	Salaries and Wages	\$	\$
610	Purchased Water		1,044
615	Purchased Power		2,241
618	Chemicals		401
620	Repairs and Maintenance		
621	Office Supplies and Expense		3,877
630	Outside Services		92,147
635	Water Testing		1,700
641	Rents		6,170
650	Transportation Expenses		
657	Insurance – General Liability		6,364
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Misc. Expense		1,186
403	Depreciation Expense		2,961
408	Taxes Other than Income		
408.11	Property Taxes		
409	Income Tax		
	Total Operating Expenses	\$	\$ 118,091
	Other Income Expense		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Misc. Non-Utility Expenses		
427	Interest Expense		
	Total Other Income/Expense	\$	\$
	Net Income/(Loss)	\$	\$ (82,721)

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME: SABROSA WATER COMPANY

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (GPM)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (Inches)	Year Drilled
55-635809	UNK	4-10 GPM	376'	12"	2"	1982
55-527009	5 HP	0 GPM**	195'	5"	2"	1990
55-527012	5 HP	39 GPM	205'	5"	2"	1990

* Arizona Department of Water Resources Identification Number

** Wright Well (55-527009) isolated by order of MCESD

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Water Delivered from Anthem (Feb 05)	0	17.5

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	2	3 (None Active)	0

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
24,000	1	5,000	2

COMPANY NAME: SABROSA WATER COMPANY

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
6	PVC	19,700

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	52
3/4"	
1"	3
1 1/2"	
2"	
Comp. 3	
Turbo 3	
Comp 4	
Turbo 4	
Comp 6	
Turbo 6	

For the following three items, list the Utility-owned assets in each category.

TREATMENT EQUIPMENT:

Chlorine Injection System (at each well)

STRUCTURES:

Chain Link fences around each well
3 x 50 sq ft sheds

OTHER:

Cellular Based Alarm System (pressure, power, tank level)

COMPANY NAME: SABROSA WATER COMPANY

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS*	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
January	N/A	N/A	N/A
February	N/A	N/A	N/A
March	64	308	370
April	62	411	557
May	62	441	650
June	62	510	618
July	58	699	687
August	58	424	578
September	56	441	551
October	56	330	468
November	55	261	327
December	55	307	352
TOTAL		4,132	5,158β

*Includes all active customers in database.

β Does not include 33,640 gallons delivered to Skunk Creek as part of flushing efforts for Wright Well.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(X) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(X) Yes () No

If yes, provide the GPCPD amount: 160

What is the level of arsenic for each well on your system. mg/L
(If more than one well, please list each separately)

ADWR #	Name	Average As, mg/L
55-625809	Sabrosa	0.033
55-527009	Wright	0.031
55-527012	Zorillo	0.035

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME SABROSA WATER COMPANY YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Global Water operating Sabrosa
Water Company in accordance with Interim Management
Agreement (1 Feb 05)

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
APR 17 2006
**Z Corporation Commission
Director of Utilities**

VERIFICATION

**STATE OF _____
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

N/A

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS _____ DAY OF

(SEAL)

MY COMMISSION EXPIRES _____

COUNTY NAME	
MONTH	.20__

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME SABROSA WATER COMPANY YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Cindy A Liles
SIGNATURE

4-17-06
DATE

CINDY LILES
PRINTED NAME

INTERIM MANAGER
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2006

**Z Corporation Commission
Director of Utilities**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA</u>	
NAME (OWNER OR OFFICIAL) TITLE <u>CINDY LILES, INTERIM MANAGER</u>	
COMPANY NAME <u>SABROSA WATER COMPANY</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2005</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 38,528

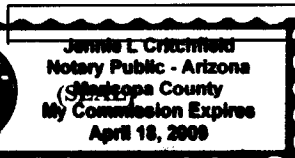
**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,198
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



17

DAY OF

MY COMMISSION EXPIRES

4/18/09

Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL
623-580-9600
TELEPHONE NUMBER

COUNTY NAME <u>MARICOPA</u>	
MONTH <u>April</u>	<u>2006</u>

Jennie L. Crichtfield
SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 17 2006

VERIFICATION

Corporation Commissic
Director of Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) CINDY LILES	TITLE INTERIM MANAGER
COMPANY NAME SABROSA WATEK COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 38,528

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3,198
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Cindy Liles
SIGNATURE OF OWNER OR OFFICIAL
623-580-9600
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

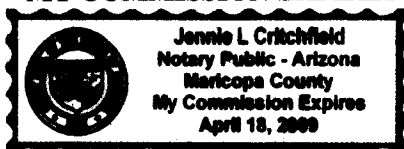
17

DAY OF

NOTARY PUBLIC NAME Jennie L. Critchfield	
COUNTY NAME MARICOPA	
MONTH April	2006

(SEAL)

MY COMMISSION EXPIRES



4/18/09

X Jennie L. Critchfield
SIGNATURE OF NOTARY PUBLIC